

ASSEMBLY BILL

No. 1853

Introduced by Assembly Member Cooper

February 10, 2016

An act to amend Sections 31468, 31522.5, 31522.7, 31522.9, 31528, 31529.9, 31535, and 31580.2 of, and to add Section 31522.75 to, the Government Code, relating to county employees' retirement.

LEGISLATIVE COUNSEL'S DIGEST

AB 1853, as introduced, Cooper. County employees' retirement: districts: retirement system governance.

The County Employees Retirement Law of 1937 (CERL) authorizes counties to establish retirement systems pursuant to its provisions in order to provide pension benefits to their employees. CERL defines a district for these purposes, includes specified county retirement systems within that definition, and permits a district to participate in CERL retirement systems. CERL generally provides that the personnel of a county retirement system are county employees, subject to county civil service provisions and salary ordinances, but also authorizes the boards of retirement in specified counties to adopt provisions providing for the appointment of personnel who are to be employees of the retirement system, as well as other administrative provisions that reflect the independence of the retirement system from the county.

The California Public Employees' Pension Reform Act of 2013 (PEPRA) requires a public retirement system, as defined, to modify its plan or plans to comply with the act and establishes new retirement formulas that a public employer offering a defined benefit pension plan for employees first hired on or after January 1, 2013, may not exceed. PEPRA authorizes individuals who were employed by any public

employer before January 1, 2013, and who became employed by a subsequent public employer for the first time on or after January 1, 2013, to be subject to the retirement plan that would have been available to employees of the subsequent employer who were first employed by the subsequent employer on or before December 31, 2012, if the individual was subject to reciprocity, as specified.

This bill would authorize the retirement board of any retirement system operating under CERL to elect, by resolution, to be a district under the law. The bill would authorize a board to adopt, by resolution, specified administrative provisions that would classify various personnel of the retirement system as employees of the retirement system and not employees of the county. In regard to county employees who would become retirement system employees, the bill would prescribe requirements in connection with their compensation and employment benefits and status. These provisions would include maintaining their county retirement benefits that would otherwise be reduced under PEPRA, keeping their employment classifications, and affording employees the opportunity to continue participation in group health and dental plans, among other plans and programs. The bill would also prescribe requirements regarding labor negotiations and the continuity of labor agreements. The bill would grant a retirement system electing these provisions the authority to adopt the regulations and enter into the agreements necessary to implement them. The bill would authorize retirement systems currently operating under alternative administrative structures also to adopt these provisions. The bill would make various technical and conforming changes.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 31468 of the Government Code is
- 2 amended to read:
- 3 31468. (a) “District” means a district, formed under the laws
- 4 of the state, located wholly or partially within the county other
- 5 than a school district.
- 6 (b) “District” also includes any institution operated by two or
- 7 more counties, in one of which there has been adopted an ordinance
- 8 placing this chapter in operation.

1 (c) "District" also includes any organization or association
2 authorized by Chapter 26 of the Statutes of 1935, as amended by
3 Chapter 30 of the Statutes of 1941, or by Section 50024, which
4 organization or association is maintained and supported entirely
5 from funds derived from counties, and the board of any retirement
6 system is authorized to receive the officers and employees of that
7 organization or association into the retirement system managed
8 by the board.

9 (d) "District" also includes, but is not limited to, any sanitary
10 district formed under Part 1 (commencing with Section 6400) of
11 Division 6 of the Health and Safety Code.

12 (e) "District" also includes any city, public authority, public
13 agency, and any other political subdivision or public corporation
14 formed or created under the constitution or laws of this state and
15 located or having jurisdiction wholly or partially within the county.

16 (f) "District" also includes any nonprofit corporation or
17 association conducting an agricultural fair for the county pursuant
18 to a contract between the corporation or association and the board
19 of supervisors under the authority of Section 25905.

20 (g) "District" also includes the Regents of the University of
21 California, but with respect only to employees who were employees
22 of a county in a county hospital, who became university employees
23 pursuant to an agreement for transfer to the regents of a county
24 hospital or of the obligation to provide professional medical
25 services at a county hospital, and who under that agreement had
26 the right and did elect to continue membership in the county's
27 retirement system established under this chapter.

28 (h) "District" also includes the South Coast Air Quality
29 Management District, a new public agency created on February
30 1, 1977, pursuant to Chapter 5.5 (commencing with Section 40400)
31 of Part 3 of Division 26 of the Health and Safety Code.

32 (1) Employees of the South Coast Air Quality Management
33 District shall be deemed to be employees of a new public agency
34 occupying new positions on February 1, 1977. On that date, those
35 new positions are deemed not to have been covered by any
36 retirement system.

37 (2) No retirement system coverage may be effected for an
38 employee of the South Coast Air Quality Management District
39 who commenced employment with the district during the period
40 commencing on February 1, 1977, and ending on December 31,

1 1978, unless and until the employee shall have elected whether to
2 become a member of the retirement association established in
3 accordance with this chapter for employees of Los Angeles County
4 or the retirement association established in accordance with this
5 chapter for employees of San Bernardino County. The election
6 shall occur before January 1, 1980. Any employee who fails to
7 make the election provided for herein shall be deemed to have
8 elected to become a member of the retirement association
9 established in accordance with this chapter for the County of Los
10 Angeles.

11 (3) The South Coast Air Quality Management District shall
12 make application to the retirement associations established in
13 accordance with this chapter for employees of Los Angeles County
14 and San Bernardino County for coverage of employees of the South
15 Coast Air Quality Management District.

16 (4) An employee of the South Coast Air Quality Management
17 District who commenced employment with the district during the
18 period commencing on February 1, 1977, and ending on December
19 31, 1978, and who has not terminated employment before January
20 1, 1980, shall be covered by the retirement association elected by
21 the employee pursuant to paragraph (2). That coverage shall be
22 effected no later than the first day of the first month following the
23 date of the election provided for in paragraph (2).

24 (5) Each electing employee shall receive credit for all service
25 with the South Coast Air Quality Management District. However,
26 the elected retirement association may require, as a prerequisite
27 to granting that credit, the payment of an appropriate sum of money
28 or the transfer of funds from another retirement association in an
29 amount determined by an enrolled actuary and approved by the
30 elected retirement association's board. The amount to be paid shall
31 include all administrative and actuarial costs of making that
32 determination. The amount to be paid shall be shared by the South
33 Coast Air Quality Management District and the employee. The
34 share to be paid by the employee shall be determined by good faith
35 bargaining between the district and the recognized employee
36 organization, but in no event shall the employee be required to
37 contribute more than 25 percent of the total amount required to be
38 paid. The elected retirement association's board may not grant that
39 credit for that prior service unless the request for that credit is
40 made to, and the required payment deposited with, the elected

1 retirement association's board no earlier than January 1, 1980, and
2 no later than June 30, 1980. The foregoing shall have no effect on
3 any employee's rights to reciprocal benefits under Article 15
4 (commencing with Section 31830).

5 (6) An employee of the South Coast Air Quality Management
6 District who commenced employment with the district after
7 December 31, 1978, shall be covered by the retirement association
8 established in accordance with this chapter for employees of San
9 Bernardino County. That coverage shall be effected as of the first
10 day of the first month following the employee's commencement
11 date.

12 (7) Notwithstanding paragraphs (2) and (4) above, employees
13 of the South Coast Air Quality Management District who were
14 employed between February 1, 1977, and December 31, 1978, and
15 who terminate their employment between February 1, 1977, and
16 January 1, 1980, shall be deemed to be members of the retirement
17 association established in accordance with this chapter for the
18 employees of Los Angeles County commencing on the date of
19 their employment with the South Coast Air Quality Management
20 District.

21 (i) "District" also includes any nonprofit corporation that
22 operates one or more museums within a county of the 15th class,
23 as described by Sections 28020 and 28036 of the Government
24 Code, as amended by Chapter 1204 of the Statutes of 1971,
25 pursuant to a contract between the corporation and the board of
26 supervisors of the county, and that has entered into an agreement
27 with the board and the county setting forth the terms and conditions
28 of the corporation's inclusion in the county's retirement system.

29 (j) "District" also includes any economic development
30 association funded in whole or in part by a county of the 15th class,
31 as described by Sections 28020 and 28036 of the Government
32 Code, as amended by Chapter 1204 of the Statutes of 1971, and
33 that has entered into an agreement with the board of supervisors
34 and the county setting forth the terms and conditions of the
35 association's inclusion in the county's retirement system.

36 (k) "District" also includes any special commission established
37 in the Counties of Tulare and San Joaquin as described by Section
38 14087.31 of the Welfare and Institutions Code, pursuant to a
39 contract between the special commission and the county setting
40 forth the terms and conditions of the special commission's

1 inclusion in the county's retirement system with the approval of
2 the board of supervisors and the board of retirement.

3 (l) (1) "District" also includes the retirement system established
4 under this chapter in Orange County.

5 (2) "District" also includes the retirement system established
6 under this chapter in San Bernardino County at such time as the
7 board of retirement, by resolution, makes this section applicable
8 in that county.

9 (3) "District" also includes the retirement system established
10 under this chapter in Contra Costa County.

11 (4) "District" also includes the retirement system established
12 under this chapter in Ventura County.

13 (5) *"District" also includes a retirement system established*
14 *under this chapter at the time that the board of retirement, by*
15 *resolution, makes this section applicable to the retirement system*
16 *in that county.*

17 (m) "District" also includes the Kern County Hospital Authority,
18 a public agency that is a local unit of government established
19 pursuant to Chapter 5.5 (commencing with Section 101852) of
20 Part 4 of Division 101 of the Health and Safety Code.

21 SEC. 2. Section 31522.5 of the Government Code is amended
22 to read:

23 31522.5. (a) In a county in which the board of retirement has
24 appointed personnel pursuant to Section 31522.1, the board of
25 retirement may appoint an administrator, an assistant administrator,
26 a chief investment officer, senior management employees next in
27 line of authority to the chief investment officer, subordinate
28 administrators, senior management employees next in line of
29 authority to subordinate administrators, and legal counsel.

30 (b) Notwithstanding any other provision of law, the personnel
31 appointed pursuant to this section may not be county employees
32 but shall be employees of the retirement system, subject to terms
33 and conditions of employment established by the board of
34 retirement. Except as specifically provided in this subdivision, all
35 other personnel shall be county employees for purposes of the
36 county's employee relations resolution, or equivalent local rules,
37 and the terms and conditions of employment established by the
38 board of supervisors for county employees, including those set
39 forth in a memorandum of understanding.

1 (c) Except as otherwise provided by Sections 31529.9 and
2 31596.1, the compensation of personnel appointed pursuant to this
3 section shall be an expense of administration of the retirement
4 system, pursuant to Section 31580.2.

5 (d) The board of retirement and board of supervisors may enter
6 into any agreements as may be necessary and appropriate to carry
7 out the provisions of this section.

8 (e) Section 31522.2 is not applicable to any retirement system
9 that elects to appoint personnel pursuant to this section.

10 (f) This section shall apply ~~only~~ in Orange County.

11 (g) This section shall apply to the retirement system established
12 under this chapter in San Bernardino County at such time as the
13 board of retirement, by resolution, makes this section applicable
14 in that county.

15 *(h) This section shall apply to a retirement system established*
16 *under this chapter at the time that the board of retirement, by*
17 *resolution, makes this section applicable in that county.*

18 SEC. 3. Section 31522.7 of the Government Code is amended
19 to read:

20 31522.7. (a) In addition to the authority provided pursuant to
21 Section 31522.5, the board of retirement in the County of San
22 ~~Bernardino~~ *Bernardino, or in any other county in which this section*
23 *has been made applicable*, may appoint an administrator, an
24 assistant administrator, a chief investment officer, senior
25 management employees next in line of authority to the chief
26 investment officer, subordinate administrators, senior management
27 employees next in line of authority to subordinate administrators,
28 supervisors and employees with specialized training and knowledge
29 in pension benefit member services, investment reporting
30 compliance, investment accounting, pension benefit tax reporting,
31 pension benefit financial accounting, pension law, and legal
32 counsel.

33 (b) Notwithstanding any other provision of law, the personnel
34 appointed pursuant to this section may not be county employees
35 but shall be employees of the retirement system, subject to terms
36 and conditions of employment established by the board of
37 retirement. Except as specifically provided in this subdivision, all
38 other personnel shall be county employees for purposes of the
39 county's employee relations resolution, or equivalent local rules,
40 and the terms and conditions of employment established by the

1 board of supervisors for county employees, including those set
2 forth in a memorandum of understanding.

3 (c) Except as otherwise provided by Sections 31529.9 and
4 31596.1, the compensation of personnel appointed pursuant to this
5 section shall be an expense of administration of the retirement
6 system, pursuant to Section 31580.2.

7 (d) The board of retirement and board of supervisors may enter
8 into any agreements as may be necessary and appropriate to carry
9 out the provisions of this section.

10 (e) Section 31522.2 is not applicable if the retirement system
11 elects to appoint personnel pursuant to this section.

12 (f) This section shall apply ~~only~~ to the retirement system
13 established under this chapter in San Bernardino County at such
14 time as the board of retirement, by resolution, makes this section
15 applicable in that county.

16 (g) *This section shall apply to a retirement system established*
17 *under this chapter at the time that the board of retirement, by*
18 *resolution, makes this section applicable in that county.*

19 SEC. 4. Section 31522.75 is added to the Government Code,
20 immediately following Section 31522.7, to read:

21 31522.75. (a) Any retirement system established under this
22 chapter, including a retirement system that, at the time of the
23 enactment of this section, is operating pursuant to Section 31522.5,
24 31522.7, or 31522.9, may elect to make this section, Section 31468,
25 and Section 31522.5, 31522.7, or 31522.9, applicable to the
26 retirement system upon adoption of a resolution by the board of
27 retirement.

28 (b) A board of retirement may elect to appoint personnel, or
29 may authorize the retirement administrator to appoint personnel,
30 to administer the system as provided in this section.

31 (c) (1) Notwithstanding any other law, the personnel appointed
32 pursuant to this section and the sections referenced in subdivision
33 (a) shall not be county employees, but shall be employees of the
34 retirement system, subject to terms and conditions of employment
35 established by the board of retirement and the provisions of this
36 section.

37 (2) A county employee to whom the California Public
38 Employees' Pension Reform Act of 2013 (Article 4, commencing
39 with Section 7522 of Chapter 21 of Division 7 of Title 1) did not

1 apply before becoming a retirement system employee shall
2 maintain that status as an employee of the retirement system.

3 (3) For purposes of employment by a subsequent public
4 employer, as described in paragraph (1) of subdivision (c) of
5 Section 7522.02, the retirement system shall have the status of the
6 county as a subsequent employer.

7 (4) With regard to an individual who was employed by the
8 county before January 1, 2013, and who becomes a retirement
9 system employee and then changes employment positions as
10 described in paragraph (2) of subdivision (c) of Section 7522.02,
11 the retirement system shall have the former obligations of the
12 county to provide a defined benefit plan that otherwise would have
13 been available to the employee had he or she remained a county
14 employee.

15 (d) Any employees who were previously appointed to retirement
16 system personnel positions pursuant to Section 31522.2 or 31522.3
17 shall cease to be county employees and shall become retirement
18 system employees at their existing or equivalent classifications as
19 of the date the board of retirement makes this section applicable
20 pursuant to subdivision (a), subject to any subsequent revisions
21 the retirement board may make pursuant to regulations governing
22 terms and conditions of employment, and when applicable, the
23 provisions of a subsequent memoranda of understanding or
24 bargaining agreement covering the employee.

25 (e) Any employees who were previously appointed to retirement
26 system personnel positions pursuant to Section 31522.1 and are
27 subsequently appointed as retirement system employees pursuant
28 to subdivision (a) shall cease to be county employees and shall
29 become retirement system employees at their existing or equivalent
30 classifications as of the date the board of retirement makes this
31 section applicable.

32 (f) A retirement system that elects to make this section
33 applicable shall recognize as the exclusive representative of those
34 former county employees who become retirement system
35 employees the employee organization that represented those
36 employees, if any, and shall honor the provisions in any
37 memoranda of understanding or bargaining agreement in effect
38 on the date the board of retirement makes this section applicable
39 for the duration of the memoranda of understanding or bargaining
40 agreement.

(g) The following shall apply to those persons who become retirement system employees pursuant to this section:

(1) Employment seniority of a retirement system employee, including, but not limited to, an employee's continuous service date used for purposes of retirement or other benefits, as calculated and used under the county system in effect before the date this section becomes applicable, shall be calculated and used in the same manner by the retirement system at the time the county employee becomes a retirement system employee, subject to any subsequent revisions the retirement board may make pursuant to regulations governing terms and conditions of employment, and when applicable, the provisions of a subsequent memoranda of understanding or bargaining agreement covering the employee.

(2) Retirement system employees shall have the same status they had as probationary, permanent, or regular employees under the county system in effect on the date this section becomes applicable, subject to any subsequent revisions the retirement board may make pursuant to regulations governing terms and conditions of employment, and when applicable, the provisions of a subsequent memoranda of understanding or bargaining agreement covering the employee.

(3) Retirement system employees shall receive their same salary rates, leaves of absence, leave accrual rates, including all related compensation rules and provisions applicable to those salary rates, leaves, and accrual rates as under the county system on the date this section becomes applicable, subject to any subsequent revisions the retirement board may make pursuant to regulations governing terms and conditions of employment, and when applicable, the provisions of a subsequent memoranda of understanding or bargaining agreement covering the employee.

(4) (A) Retirement system employees shall be afforded the opportunity to participate in county benefit plans and programs, including, but not limited to, group health, dental and life insurance, workers' compensation, and deferred compensation that existed on the date this section becomes applicable, under the same terms and conditions as those programs were available to county employees. The retirement board shall contract with the county to administer the county benefit plans and programs for retirement system employees, under the same terms and conditions applicable to county employees, and shall provide the employer cost for

1 participation in the programs unless and until the retirement board
2 chooses to provide different benefits or different benefit levels
3 through another provider.

4 (B) The participation of retirement system employees in county
5 benefit plans or programs, and the county's administration of
6 certain compensation or benefits for retirement employees pursuant
7 to this section, shall not create or be construed to create, a meet
8 and confer obligation between the county and any employee
9 organization recognized to represent retirement system employees.

10 (h) The board of retirement and the county may enter into any
11 agreements necessary and appropriate to carry out this section.

12 (i) Sections 31522.1, 31522.2 and 31522.3 shall no longer apply
13 to a retirement system that has made this section applicable.

14 (j) Upon adoption of this section, the board of retirement may
15 make regulations consistent with this chapter, and the provisions
16 of Section 31525 that require approval of retirement board
17 regulations by the board of supervisors shall no longer apply.

18 (k) The compensation of personnel appointed pursuant to this
19 section shall be an expense of administration of the retirement
20 system pursuant to Section 31580.2, except as provided in Section
21 31522.5, 31522.7, or 31522.9, as those sections may apply to a
22 retirement system that has adopted them.

23 (l) This section shall not be construed as to modify any authority,
24 or to require any subsequent action by, a retirement system that
25 has made Section 31468 and Section 31522.5, 31522.7, 31522.9,
26 or 31522.10 applicable to the retirement system prior to the
27 effective date of this section.

28 (m) Any retirement system that has elected to make either
29 Section 31522.5, 31522.7, or 31522.9 applicable upon adoption
30 of a subsequent resolution by the board of retirement may make
31 a different section apply.

32 SEC. 5. Section 31522.9 of the Government Code is amended
33 to read:

34 31522.9. (a) The board of retirement of a county may appoint
35 a retirement administrator and other personnel as are required to
36 accomplish the necessary work of the board. The board may
37 authorize the administrator to make these appointments on its
38 behalf. Notwithstanding any other law, the personnel so appointed
39 shall not be county employees but shall become employees of the
40 retirement system, subject to terms and conditions of employment

1 established by the board of retirement, including those set forth in
2 memoranda of understanding executed by the board of retirement
3 and recognized employee organizations.

4 (b) Sections 31522.1 and 31522.2 shall not apply to a retirement
5 system that appoints personnel pursuant to this section.

6 (c) The retirement system that appoints personnel pursuant to
7 this section is a public agency for purposes of the
8 Meyers-Milias-Brown Act (Chapter 10 (commencing with Section
9 3500) of Division 4).

10 (d) The compensation of personnel appointed pursuant to this
11 section shall be an expense of administration of the retirement
12 system, pursuant to Section 31580.2, except as provided in Sections
13 31529.5, 31529.9, and 31596.1.

14 (e) The board of retirement and the board of supervisors may
15 enter into agreements as they determine are necessary and
16 appropriate in order to carry out the provisions of this section.

17 (f) The retirement system, upon the effective date of this section,
18 shall retain, for a 90-day transition employment period,
19 nonprobationary employees who, upon the effective date of this
20 section, were covered by a county memorandum of understanding
21 and employed by the county at the retirement system's facilities,
22 unless just cause exists to terminate the employees or legitimate
23 grounds exist to lay off these employees. If during the 90-day
24 period the retirement system determines that a layoff of these
25 employees is necessary, the retirement system shall retain the
26 employees by seniority within job classification. The terms and
27 conditions of employment of the employees retained pursuant to
28 this subdivision shall be subject to the terms and conditions
29 established by the applicable memoranda of understanding
30 executed by the board of retirement and the recognized employee
31 organizations. During the 90-day transition period, probationary
32 employees shall maintain only those rights they initially acquired
33 pursuant to their employment with the county.

34 (g) Subject to the employees' rights under the
35 Meyers-Milias-Brown Act (Chapter 10 (commencing with Section
36 3500) of Division 4), the retirement system, upon the effective
37 date of this section, shall recognize as the exclusive representative
38 of the employees retained pursuant to subdivision (f) the recognized
39 employee organizations that represented those employees when
40 employed by the county. The initial terms and conditions for those

1 employees shall be as previously established by the applicable
2 memoranda of understanding executed by the county and
3 recognized employee organizations.

4 (h) This section shall apply ~~only~~ in Contra Costa County.

5 (i) *This section shall apply to a retirement system established*
6 *under this chapter at the time that the board of retirement, by*
7 *resolution, makes this section applicable in that county.*

8 SEC. 6. Section 31528 of the Government Code is amended
9 to read:

10 31528. (a) Unless permitted by this chapter, a member or
11 employee of the board shall not become an endorser, surety, or
12 obligor on, or have any personal interest, direct or indirect, in the
13 making of any investment for the board, or in the gains or profits
14 accruing from those investments. A member or employee of the
15 board shall not directly or indirectly, for himself or herself, or as
16 an agent or partner of others, borrow or use any of the funds or
17 deposits of the retirement system, except to make current and
18 necessary payments authorized by the board.

19 (b) A member or employee of the board shall not, directly or
20 indirectly, by himself or herself, or as an agent or partner or
21 employee of others, sell or provide any investment product that
22 would be considered an asset of the fund, to any retirement system
23 established pursuant to this chapter.

24 (c) An individual who held a position designated in Section
25 31522.3, 31522.4, ~~or 31522.5~~, 31522.5, *or established pursuant*
26 *to Section 31522.75*, or was a member of the board or an
27 administrator, shall not, for a period of two years after leaving that
28 position, for compensation, act as agent or attorney for, or
29 otherwise represent, any other person except the county, by making
30 any formal or informal appearance before, or any oral or written
31 communication to, the retirement system, or any officer or
32 employee thereof, if the appearance or communication is made
33 for the purpose of influencing administrative or legislative action,
34 or any action or proceeding involving the issuance, amendment,
35 awarding, or revocation of a permit, license, grant, contract, or
36 sale or purchase of goods or property.

37 SEC. 7. Section 31529.9 of the Government Code is amended
38 to read:

39 31529.9. (a) In addition to the powers granted by Sections
40 31522.5, 31522.75, 31522.9, 31529, 31529.5, 31614, and 31732,

1 the board of retirement and the board of investment may contract
2 with the county counsel or with attorneys in private practice or
3 employ staff attorneys for legal services.

4 (b) Notwithstanding Sections 31522.5, 31522.7, 31522.75,
5 31529.5, and 31580, the board shall pay, from system assets,
6 reasonable compensation for the legal services.

7 (c) This section applies to any county of the 2nd class, 7th class,
8 9th class, 14th class, 15th class, or the 16th class as described by
9 Sections 28020, 28023, 28028, 28030, 28035, 28036, and 28037.

10 (d) This section shall also apply to any other county if the board
11 of retirement, by resolution adopted by majority vote, makes this
12 section applicable in the county.

13 SEC. 8. Section 31535 of the Government Code is amended
14 to read:

15 31535. The board may issue subpoenas and subpoenas duces
16 tecum, and compensate persons subpoenaed. This power shall be
17 exercised and enforced in the same manner as the similar power
18 granted the board of supervisors in Article 9 (commencing with
19 Section 25170) of Chapter 1, Part 2, Division 2; except that the
20 power shall extend only to matters within the retirement board's
21 jurisdiction, and committees of the board shall not have this power.
22 Reasonable fees and expenses may be provided for by board
23 regulation for any or all of such witnesses regardless of which
24 party subpoenaed them.

25 Subpoenas shall be signed by the chairman or secretary of the
26 retirement board, except that the board may by regulation provide
27 for express written delegation of its subpoena power to any referee
28 it appoints pursuant to this chapter or to any administrator
29 appointed pursuant to Section ~~31522.2~~. 31522.2, 31522.5, 31522.7,
30 31522.9, or 31522.10.

31 Any member of the board, the referee, or any person otherwise
32 empowered to issue subpoenas may administer oaths to, or take
33 depositions from, witnesses before the board or referee.

34 SEC. 9. Section 31580.2 of the Government Code is amended
35 to read:

36 31580.2. (a) In counties in which the board of retirement, or
37 the board of retirement and the board of investment, have appointed
38 personnel pursuant to Section 31522.1, 31522.5, 31522.7,
39 31522.75, 31522.9, or 31522.10, the respective board or boards
40 shall annually adopt a budget covering the entire expense of

1 administration of the retirement system which expense shall be
2 charged against the earnings of the retirement fund. The expense
3 incurred in any year may not exceed the greater of either of the
4 following:

5 (1) Twenty-one hundredths of 1 percent of the accrued actuarial
6 liability of the retirement system.

7 (2) Two million dollars (\$2,000,000), as adjusted annually by
8 the amount of the annual cost-of-living adjustment computed in
9 accordance with Article 16.5 (commencing with Section 31870).

10 (b) Expenditures for computer software, computer hardware,
11 and computer technology consulting services in support of these
12 computer products shall not be considered a cost of administration
13 of the retirement system for purposes of this section.